



Federal Communications Commission
Washington, D.C. 20554

FEB 21 2003

Federal Communications Commission
Office of Secretary

January 30, 1003

DOCKET FILE COPY ORIGINAL

IB DKt. 03-38

VIA FAX

The Honorable Armi Jane Borje
Commissioner, National Telecommunications Commission
BIR Road, East Triangle, Diliman, Quezon City
Metro Manila, Philippines

Dear Commissioner Borje:

We are aware, based upon information from U.S. carriers, that at least three carriers that terminate international traffic in the Philippines are threatening to disrupt circuits of some U.S. carriers on the U.S.-Philippines route beginning February 1, 2003. We have been informed that at this point Philippines Long Distance Telephone Company, Globe Telecom, and Bayantel are taking this position. We understand that this is occurring in the context of negotiations in which these and other Philippine carriers have proposed to increase termination rates.

We seek your cooperation in ensuring that circuits on the U.S.-Philippines route remain active. It is in the interest of consumers and the economies of both of our countries to avoid disruptions to our communications networks.

Moreover, as you may be aware, in order to protect U.S. consumers and competition from abuses of market power by foreign carriers, the Federal Communications Commission (FCC) has taken action in situations involving the "whipsawing" of U.S. carriers. "Whipsawing" generally involves the ability of foreign carriers to obtain unduly favorable terms and conditions from U.S. carriers by setting competing U.S. carriers against one another. The FCC has previously deemed the disruption of select U.S. carrier networks in the course of rate negotiations to be "whipsawing" and has prohibited payments from U.S. carriers until such disruptions have been resolved.

If you have questions on this matter, please do not hesitate to contact me on 202-418-6437 or Jackie Ruff of my staff (202-418-7806). Thank you for your consideration.

Sincerely yours,

Donald Abelson

Chief

International Bureau